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Title : Regarding Gas Cracker Project to be set up in Assam.

SHRI SARBANANDA SONOWAL (DIBRUGARH): Hon. Chairman, Sir, I would like to draw your kind attention to the Gas Cracker Project unit, which was to be set up in Assam as per the Assam Accord. But nothing has come out so far with regard to this issue in spite of repeated demands for it.

It has to be noted here that the foundation stone of the project was laid by the then Prime Minister Shri P. V. Narasimha Rao on 24 November 1994, following which the necessary land required for it was acquired by the Dibrugarh District Administration at a place called Tengakhat. But the proposed place has subsequently been shifted from Tengakhat to Lepetkata, Dibrugarh due to some objection raised by the Indian Air Force. The place was later also visited by a 18-Member Committee attached to the Ministry of Petroleum and Ministry of Chemicals. They gave their approval of the suitability of the land for the Gas Cracker Plant. EIL also conducted economic feasibility of the land and submitted a report to the Ministry concerned.

In the tripartite talk on Assam Accord held on 5 May 2005, the hon. Prime Minister assured that necessary steps would be taken to implement the project once its viability was established. The Secretary, Ministry of Petroleum and Natural Gas informed that the feasibility study regarding the Gas Cracker Project has been completed and the matter is referred to the Public Investment Board[ak145].

[R146]

Recently, a meeting of the PIB was held under the Chairmanship of Secretary (Expenditure) on 8.7.2005 to consider the proposal for setting up a Gas Cracker Project in Assam by GAIL (India) Limited. The GAIL made a presentation covering various issues raised during the earlier PIB meeting held on 15.4.2005. It was brought out that the project cost is Rs. 5185.22 crore at constant price basis (Rs. 5961.95 crore on completion cost basis). The proposed equity share in the project will be distributed among GAIL (70 %), OIL (10%), NRL (10%) and the Government of Assam (10%). The IDBI who have conveyed their willingness to provide the debt finance subject to due diligence and satisfactory project parameters. OIDB have also conveyed 'in principle' approval for release of loan of Rs. 327 crore. It was also indicated that Planning Commission have conveyed that they would consider providing funds on account of subsidy, once the detailed contours of the project were firmed up and the Project is approved.

MR. CHAIRMAN : I have already told you that you can lay your statement on the Table of the House.

SHRI SARBANANDA SONOWAL : Sir, please allow me to speak for two more minutes. This is a very important issue. Please allow me to raise two issues.

Concluding the discussions, Secretary (Expenditure) stated that considering the financial parameters, PIB would not be in a position to recommend the Project in the present form. However, since the Project has a special place in the Assam Accord, feasibility of recasting the proposal on the basis of discussions in the meeting should be seriously examined and attempted.

It is heartening to note that huge Gas (estimated to be 20 million standard cubic meters per day) was discovered in Myanmar offshore south of Mizoram, and I understand that the Ministry of Petroleum has directed GAIL and Oil India Limited to work on the pipeline project which is likely to pass through Assam. In the meantime, Oil India Limited has proposed gas pipelines from Dibrugarh to

Guwahati. Since their pipelines can be connected to national gas grid, there should not be any scarcity of gas. So, while preparing the feasibility report of gas cracker, the gas from Myanmar should be considered.

I deeply regret the fact that even after 20 years of signing the Assam Accord and 11 years of laying the foundation stone, no preliminary work has been done yet. It is indeed an example of sheer negligence towards the interest of the people of Assam. It might affect the positive mindset of the people and discourage their faith in democratic commitments of the leaders of the country.

So, I urge upon the Union Government to take immediate appropriate steps to set up the Assam Gas Cracker Project at Lepetkata (Dibrugarh) as committed without any further delay.